

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647

RECEIVED
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NEW YORK OFFICE
405 LEXINGTON AVENUE
NEW YORK, NY 10174
EXECUTIVE SECRETARY

January 27, 2000

VIA OVERNIGHT DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0500

99-00714


Re: New Edge Network, Inc. d/b/a New Edge Networks, Docket No. ~~99-007114~~--
Direct Testimony of Penny Bewick Information

Dear Mr. Waddell:

New Edge Network, Inc. d/b/a New Edge Networks ("New Edge"), by undersigned counsel, hereby submits for filing an original and thirteen (13) copies of the Direct Testimony of Penny Bewick on behalf of New Edge in the above-referenced proceeding.

Please date stamp the enclosed extra copy of this filing and return it in the self-addressed, postage-prepaid envelope provided. Should you have any questions concerning this matter, please do not hesitate to contact Michael Donahue at (202) 424-7683. Thank you for your continued assistance in this matter.

Respectfully submitted,


Eric J. Branfman
Michael P. Donahue

Counsel to
New Edge Network, Inc. d/b/a New Edge Networks

cc: Darrell Whitis
Stacey Waddell

FILE

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In the Matter of the Application of)
)
New Edge Network, Inc.)
d/b/a New Edge Networks)
)
for a Certificate of Convenience and)
Necessity to Provide Local Exchange)
and Interexchange Telecommunications)
Services Throughout the State of Tennessee)

Docket No. 99-00714

DIRECT TESTIMONY OF PENNY BEWICK

ON BEHALF OF

**NEW EDGE NETWORK, INC.
D/B/A NEW EDGE NETWORKS**

FILE

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TELEPHONE NUMBER.

A. My name is Penny Bewick. My business address is New Edge Network, Inc. d/b/a New Edge Networks, 3000 Columbia House Boulevard, Suite 106, Vancouver, Washington 98661. My telephone number is (360) 906-9775.

Q. PLEASE STATE YOUR POSITION AND BRIEFLY DESCRIBE YOUR DUTIES.

A. I am the Director, Government & Industry Affairs for New Edge Network, Inc. d/b/a New Edge Networks ("New Edge"). I have the responsibility for monitoring and actively participating in regulatory and legislative matters relating to telecommunications policy and regulations throughout the United States. Part of this responsibility includes obtaining operating certification from appropriate authorities. In addition I am responsible for insuring New Edge's compliance with all regulatory requirements nationwide.

Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. Prior to joining New Edge in December of 1999, I was Director, Government Affairs & Product Support for Electric Lightwave, Inc. ("ELI"). I joined ELI in February of 1997. While at ELI, my duties and responsibilities were similar to those described above. Prior to ELI I had more than twenty-five years of experience working for Pacific Northwest Bell, U S WEST Communications, Inc. and U S WEST, Inc. in supervisory and management positions, including nine years as a paralegal in the U S WEST legal department. Stationed in Portland, Oregon, I supported and assisted U S WEST's Chief Counsel for the State of Oregon and multiple state senior attorneys with all facets of their practices, including all administrative litigation and related

appeals in State and Federal Court as well as before the Public Utilities Commissions in multiple states.

Q. ARE YOU FAMILIAR WITH THE APPLICATION THAT NEW EDGE SUBMITTED TO THE TENNESSEE REGULATORY AUTHORITY ("AUTHORITY") ON SEPTEMBER 21, 1999, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES THROUGHOUT THE STATE OF TENNESSEE?

A. Yes, I am.

Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS THAT ARE MADE IN THE APPLICATION AND AMENDMENT THERETO?

A. Yes, I do.

II. PURPOSE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING? PLEASE SUMMARIZE YOUR MAIN POINTS.

A. The purpose of my testimony is, first, to describe the Application of New Edge for a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services in the State of Tennessee; second, to describe the telecommunications services to be offered by New Edge; third, to describe the technical and managerial resources and abilities of New Edge; fourth, to describe the financial resources of New Edge, in order to show that New Edge has the financial ability to provide the services described in its application; and fifth, to comment on the public benefits of New Edge's proposed telecommunications services.

Q. PLEASE DESCRIBE THE AUTHORITY THAT NEW EDGE SEEKS FROM THE AUTHORITY.

A. New Edge seeks authority to provide resold and facilities-based competitive local exchange, exchange access, and interexchange service throughout the State of Tennessee within all areas for which the Commission will grant such authority. Initially, New Edge will operate in the service area of BellSouth Telecommunications, Inc., United Telephone, and Citizens Telecom; however, New Edge seeks statewide authority so that in the future it may expand its service areas as market conditions may warrant. New Edge seeks statewide authority in order to enable it to respond quickly to changing competitive conditions rather than having to seek additional certification to expand its authority as new portions of Tennessee open to competition. Nonetheless, New Edge does not seek to challenge or terminate any small or rural LEC exemption claimed by any incumbent in Tennessee, nor does New Edge seek, at this time, to provide service in the territories of any rural LEC.

Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF NEW EDGE.

A. New Edge Network, Inc. d/b/a New Edge Networks is a privately-held Delaware corporation organized on June 1, 1999, as Access 21 Corporation. Access 21 Corporation subsequently changed its name to New Edge Network, Inc. and, in August, 1999, changed its name to New Edge Network, Inc. d/b/a New Edge Networks.

III. MANAGERIAL AND TECHNICAL QUALIFICATIONS

Q. PLEASE ADDRESS NEW EDGE'S MANAGERIAL AND TECHNICAL QUALIFICATIONS.

A. New Edge possesses the managerial and technical qualifications to provide its proposed telecommunications services, and to operate and maintain its facilities over which such services eventually will be deployed. As indicated, New Edge will be able to rely on the depth of experience represented by New Edge's officers and directors. New Edge management team has more than seventy-five years experience in the telecommunications industry. A description of the backgrounds and experience of New Edge's key personnel, which demonstrate the extensive telecommunications operational and technical expertise of the Applicant, was attached to New Edge's Application as Exhibit 2.

Q. IS NEW EDGE AUTHORIZED TO PROVIDE TELECOMMUNICATIONS SERVICE IN ANY OTHER JURISDICTIONS?

A. Yes. New Edge currently is authorized to provide local exchange and interexchange service in the States of Alabama, California, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Missouri, Montana, Nebraska, Nevada, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Utah, Vermont, Washington, Wisconsin, and Wyoming. New Edge has applications for authority to provide local exchange and interexchange telecommunications services pending in all of the remaining states except Idaho, Hawaii, and the District of Columbia. New Edge has not been denied authority to provide telecommunications services in any jurisdiction.

IV. FINANCIAL QUALIFICATIONS

Q. PLEASE DESCRIBE NEW EDGE'S FINANCIAL QUALIFICATIONS

- A. New Edge has sufficient financial capability to provide and maintain its interexchange and local exchange telecommunications services throughout the State of Tennessee and sufficient financial capability to meet any lease or ownership obligations it may incur. New Edge will rely upon New Edge's existing personnel and technological and financial resources to provide intrastate services. A copy of New Edge's verified financial statements, as well as a letter from Silicon Valley Bank verifying New Edge's accounts, was submitted under seal and subject to a request for confidential treatment with the original copy of New Edge's Application. New Edge also provided updated financial statements and additional financial information in response to requests for information from Staff. The information provided by New Edge clearly demonstrates that New Edge has sufficient financial capability to provide its proposed telecommunications services.

V. NEW EDGE'S PROPOSED SERVICES

Q. PLEASE DESCRIBE THE SERVICES TO BE OFFERED BY NEW EDGE.

- A. Initially, New Edge intends to provide broadband data services which primarily will consist of DSL services used for high-speed Internet access. New Edge is committed to bringing the advanced data services enabled by DSL technology to second and third tier cities and towns in Tennessee. New Edge will offer DSL services on a wholesale basis to Internet Service Providers ("ISPs"), CLECs, and shared tenant service providers, who will, in turn, provide those services to their end user customers, including small and

medium businesses, home offices, telecommuters, distance learners, and other residential customers in need of high-speed Internet access.

New Edge additionally seeks authority and ultimately expects to offer local exchange services to single line and multi-line customers (including basic residential and business lines, PBX trunks, and private lines) and switched and special carrier access services to common carriers.

New Edge also requests authority to offer interexchange services throughout the State of Tennessee, including both inbound and outbound intraLATA services. This offering will be accomplished through a combination of its own facilities and through the resale of the facilities of other certificated carriers.

Q. HOW WILL NEW EDGE PROVIDE THESE SERVICES?

A. Initially, New Edge plans to collocate state-of-the-art telecommunications equipment (primarily Digital Subscriber Line Access Multiplexers, and Asynchronous Transfer Mode ("ATM") routers) in central offices of incumbent local carriers and access unbundled loops. New Edge will obtain backbone transport services and facilities, including fiber-optic transmission facilities, from other certificated carriers. These transport services and facilities will be used to connect New Edge equipment collocated in various incumbent central offices with New Edge's network transmission equipment, to provide trunking to New Edge's ISP, CLEC, and shared tenant service provider customers, and to connect New Edge's customers to certain IXC points of presence.

Ultimately, New Edge expects to offer local exchange services utilizing its own switching equipment combined with transport and distribution facilities leased from other authorized carriers. Additionally, New Edge envisions offering interexchange services

throughout the State of Tennessee through a combination of its own facilities and through resale of the services of other certificated carriers.

New Edge will offer 911 and enhanced 911 emergency services, directory assistance, operator services, dual party relay services, and other miscellaneous services through interconnection with the incumbent local exchange carrier or other certified providers.

VI. PUBLIC INTEREST CONSIDERATIONS

Q. IS NEW EDGE FAMILIAR WITH THE AUTHORITY'S RULES, POLICIES AND ORDERS GOVERNING THE PROVISION OF LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES?

A. Applicant is familiar with and will adhere to all applicable Authority rules, policies and orders governing the provision of local exchange and interexchange telecommunications services. To the extent required by Tennessee law and the Authority's regulations, New Edge will provide: (1) consumer access to and support for the Tennessee Relay Center in the same manner as the incumbent local exchange carriers; (2) free blocking for 900 and 976 type services; (3) Lifeline and Link-Up services to qualifying customers; (4) educational discounts; and (5) support for universal service. Applicant has attached as Exhibit 7 to its Application a copy of its Small and Minority Owned Telecommunications Business Participation Plan.

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Q. WILL NEW EDGE BILL ITS CUSTOMERS USING INDUSTRY-ACCEPTED METHODS OF BILLING AND COLLECTION?

A. Yes. New Edge will bill its customers directly, using industry-accepted methods of billing and collection. Attached to New Edge's Application as Exhibit 6 is a copy of a sample customer bill.

Q. WILL NEW EDGE PUBLISH ITS OWN WHITE PAGES DIRECTORY?

A. No. At such time as New Edge begins to offer local exchange switched voice services, New Edge will contract with the underlying ILEC to provide listings for its customers.

Q. WHEN DOES NEW EDGE INTEND TO COMMENCE CONSTRUCTION OF FACILITIES IN TENNESSEE?

A. New Edge plans to initially to provide its services through a combination of its own facilities and leased facilities and to expand its services to include facilities-based services as market warrant. New Edge currently plans to collocate DSLAMs and related equipment at the incumbent local exchange carriers' central offices and to purchase and/or lease any additional facilities from the incumbent local exchange carrier. As a result, New Edge does not yet have details of the specific plant and system to be constructed in Tennessee. At such time as New Edge contemplates construction of facilities, New Edge will provide the TRA a description of such construction, if requested.

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Q. PLEASE DESCRIBE THE PUBLIC INTEREST BENEFITS ASSOCIATED WITH NEW EDGE'S PROPOSED OFFERING OF TELECOMMUNICATIONS SERVICES IN TENNESSEE.

A. The entry of New Edge into the local exchange and interexchange markets will enhance competition in the provision of telecommunications services within the State of Tennessee as prescribed by the Tennessee legislature in Chapter 408 of the Public Acts of 1995 and by the Federal Telecommunications Act of 1996. New Edge is committed to bringing the advanced services enabled by its DSL services to second and third tier markets in Tennessee. New Edge will bring significant benefits to telecommunications users in the State of Tennessee. Applicant's expertise in the telecommunications sector will permit it to select the most economic and efficient services, thereby providing subscribers with a better combination of price, quality, and subscriber service than other carriers. Accordingly, Applicant anticipates its proposed service will provide subscribers with better quality services and will increase consumer choice of innovative, diversified, and reliable service offerings.

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.